

Monthly Operating Report
CASH BASIS

CASE NAME:	Foundation Healthcare, Inc.
CASE NUMBER:	17-42571
JUDGE:	

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: June 2017
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Board Chair
TITLE

Richard Zahn
PRINTED NAME OF RESPONSIBLE PARTY

8/18/17
DATE

PREPARER:


ORIGINAL SIGNATURE OF PREPARER

Interim CFO
TITLE

William Moore
PRINTED NAME OF PREPARER

8/18/17
DATE

Monthly Operating Report

CASH BASIS-1

CASE NAME:	Foundation Healthcare, Inc.
CASE NUMBER:	17-42571

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	JUNE			
1. CASH - BEGINNING OF MONTH	121,712.33			
RECEIPTS				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS				
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME				
7. WAGES				
8. OTHER (ATTACH LIST) Refunds	2,224.20			
9. TOTAL RECEIPTS				
DISBURSEMENTS				
10. NET PAYROLL				
11. PAYROLL TAXES PAID				
12. SALES, USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES				
14. MORTGAGE PAYMENTS				
15. OTHER SECURED NOTE PAYMENTS				
16. RENTAL & LEASE PAYMENTS				
17. UTILITIES				
18. INSURANCE	709.17			
19. VEHICLE EXPENSES				
20. TRAVEL				
21. ENTERTAINMENT				
22. REPAIRS & MAINTENANCE				
23. SUPPLIES				
24. ADVERTISING				
25. HOUSEHOLD EXPENSES				
26. CHARITABLE CONTRIBUTIONS				
27. GIFTS				
28. OTHER (ATTACH LIST) Bank Fees	77.74			
29. TOTAL ORDINARY DISBURSEMENTS	786.91			
REORGANIZATION EXPENSES				
30. PROFESSIONAL FEES				
31. U.S. TRUSTEE FEES				
32. OTHER (ATTACH LIST)				
33. TOTAL REORGANIZATION EXPENSES				
34. TOTAL DISBURSEMENTS	786.91			
35. NET CASH FLOW	1,437.29			
36. CASH - END OF MONTH	123,149.62			

SOAL reported cash amounts of \$113,478.05 (page 5, \$111,500.85 Cash Accounts + Cash On Hand \$1,977.04) compare against beginning cash balances of \$121,712.33, an actual increase of \$8,234.28 from SOFA due to the following identified issues:

- SOAL reported Bank SNB FBO balance of \$23,528.30 exceeded beginning Bank SNB FBO actual balance of \$22,490.79 by \$1,037.51.
- SOAL reported Texas Capital Bank UMR account balance of \$35,000 exceeded Texas Capital Bank UMR actual balance of 28,368.94 by \$6,631.06 on 6/1/17.
- SOAL reported Texas Capital Bank UMR account balance did not reflect actual account increases of \$15,902.85 occurring pre-bankruptcy, 6/1 and 6/21.

Net beginning cash balance increase of \$8,234.28 reported = \$15,902.85 - \$6,631.06 - \$1,037.51.

Monthly Operating Report CASH BASIS-1A

CASE NAME:	Foundation Healthcare, Inc.
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CASH DISBURSEMENTS DETAIL**MONTH:** June

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
		None		
TOTAL CASH DISBURSEMENTS				0

BANK ACCOUNT DISBURSEMENTS				
CK#	DATE	PAYEE	PURPOSE	AMOUNT
NA (Bank Fee)	6/30	Valliance Bank	Bank Fees	17.74
NA (Bank Fee)	6/27	Valliance Bank	Bank Fees	60.00
#8311	6/21	Divine Dental Spa	Employee Health Claim	600.00
#8317	6/21	UMR New Mexico Vaccine Fund	Employee Health Claim	109.17
TOTAL BANK ACCOUNT DISBURSEMENTS				

TOTAL DISBURSEMENTS FOR THE MONTH	786.91
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CASH BASIS-2

CASE NAME:	Foundation Healthcare, Inc.
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BANK RECONCILIATIONS

	Acct #1	Acct #2	Acct #3	
A. BANK:	Texas Capital Bank	Valliance Bank	Bank SNB	TOTAL
B. ACCOUNT NUMBER:	001111093512 001111094114	107017980	30007030	
C. PURPOSE (TYPE):	DIP Acct	Insurance Funding	FBO	
1. BALANCE PER BANK STATEMENT	46,633.98	52,047.81	22,490.79	121,172.58
2. ADD: TOTAL DEPOSITS NOT CREDITED	0	0	0	0
3. SUBTRACT: OUTSTANDING CHECKS	0	0	0	0
4. OTHER RECONCILING ITEMS	0	0	0	0
5. MONTH END BALANCE PER BOOKS	46,633.98	52,047.81	22,490.79	121,172.58
6. NUMBER OF LAST CHECK WRITTEN	001111093512 - No Checks 001111094114 - #8317	No Checks Written	No Checks Written	

INVESTMENT ACCOUNTS

	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
BANK, ACCOUNT NAME & NUMBER				
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				0

CASH

12. CURRENCY ON HAND	1,977.04
13. TOTAL CASH - END OF MONTH	123,149.62

Monthly Operating Report
CASH BASIS-3

CASE NAME:	Foundation Healthcare, Inc.
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ASSETS OF THE ESTATE				
SCHEDULE "A" REAL PROPERTY	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		June		
1.				
2.				
3.				
4. OTHER (ATTACH LIST)				
5. TOTAL REAL PROPERTY ASSETS		0		
SCHEDULE "B" PERSONAL PROPERTY				
1. CASH ON HAND	1,977.04	1,977.04		
2. CHECKING, SAVINGS, ETC.	111,500.85	121,172.58		
3. SECURITY DEPOSITS	174,053.19	174,053.19		
4. HOUSEHOLD GOODS				
5. BOOKS, PICTURES, ART				
6. WEARING APPAREL				
7. FURS AND JEWELRY				
8. FIREARMS & SPORTS EQUIPMENT				
9. INSURANCE POLICIES				
10. ANNUITIES				
11. EDUCATION				
12. RETIREMENT & PROFIT SHARING				
13. STOCKS				
14. PARTNERSHIPS & JOINT VENTURES				
15. GOVERNMENT & CORPORATE BONDS				
16. ACCOUNTS RECEIVABLE	170,155.00	170,155.00		
17. ALIMONY				
18. OTHER LIQUIDATED DEBTS				
19. EQUITABLE INTERESTS				
20. CONTINGENT INTERESTS				
21. OTHER CLAIMS Federal Income Tax Receivable	1,700,000.00	1,700,000.00		
22. PATENTS & COPYRIGHTS				
23. LICENSES & FRANCHISES	236,085.77	236,085.77		
24. CUSTOMER LISTS				
25. AUTOS, TRUCKS & OTHER VEHICLES				
26. BOATS & MOTORS				
27. AIRCRAFT				
28. OFFICE EQUIPMENT				
29. MACHINERY, FIXTURES & EQUIPMENT	1.00	1.00		
30. INVENTORY				
31. ANIMALS				
32. CROPS				
33. FARMING EQUIPMENT				
34. FARM SUPPLIES				
35. OTHER (ATTACH LIST) Summit Mgmt Contract	336,000.00	336,000.00		
36. TOTAL PERSONAL PROPERTY ASSETS	2,729,772.85	2,739,444.58		
37. TOTAL ASSETS	2,729,772.85	2,739,444.58		

Monthly Operating Report

CASH BASIS-4

CASE NAME:	Foundation Healthcare, Inc.
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MONTH: June

LIABILITIES OF THE ESTATE		
PREPETITION LIABILITIES	SCHEDULE AMOUNT	PAYMENTS
1. SECURED	6,284,895.28	
2. PRIORITY	1,149,739.16	
3. UNSECURED	2,661,197.54	
4. OTHER (ATTACH LIST)		
5. TOTAL PREPETITION LIABILITIES	10,095,831.98	0

POSTPETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES				
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES				
OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL ATTACH LIST)				
30. TOTAL OF LINES 7 - 29				
31. TOTAL POSTPETITION LIABILITIES				0

Monthly Operating Report

CASH BASIS-4A

CASE NAME:	Foundation Healthcare, Inc.
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MONTH: June

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH June	MONTH	MONTH
1. 0 - 30				
2. 31 - 60				
3. 61 - 90				
4. 91 +	170,155.00	170,155.00		
5. TOTAL ACCOUNTS RECEIVABLE	170,155.00	170,155.00		
6. AMOUNT CONSIDERED UNCOLLECTIBLE	0.00	0.00		
7. ACCOUNTS RECEIVABLE (NET)	170,155.00	170,155.00		

AGING OF POSTPETITION TAXES AND PAYABLES	0 - 30 DAYS	31-60 DAYS	90+ DAYS	Total
TAXES PAYABLE				
1. FEDERAL				
2. STATE				
3. LOCAL				
4. OTHER (ATTACH LIST)				
5. TOTAL TAXES PAYABLE	0	0	0	0
6. ACCOUNTS PAYABLE	0	0	0	0

STATUS OF POSTPETITION TAXES	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING				
2. FICA-EMPLOYEE				
3. FICA-EMPLOYER				
4. UNEMPLOYMENT				
5. INCOME				
6. OTHER (ATTACH LIST)				
7. TOTAL FEDERAL TAXES				
STATE AND LOCAL				
8. WITHHOLDING				
9. SALES				
10. EXCISE				
11. UNEMPLOYMENT				
12. REAL PROPERTY				
13. PERSONAL PROPERTY				
14. OTHER (ATTACH LIST)				
15. TOTAL STATE & LOCAL				
16. TOTAL TAXES	0	0	0	0

Monthly Operating Report
CASH BASIS-5

CASE NAME:	Foundation Healthcare, Inc.
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MONTH: June

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
1.			
2.			
3.			
4.			
5.			
TOTAL PAYMENTS TO INSIDERS		0	0

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TTL PAID TO DATE	TOTAL INCURRED & UNPAID
1.					
2.					
3.					
4.					
5.					
TOTAL PAYMENTS TO PROFESSIONALS		0	0	0	0

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST- PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	0	0	0

Monthly Operating Report
CASH BASIS-6

CASE NAME:	Foundation Healthcare, Inc.
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MONTH: June

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES"; PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		NA
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?		NA
3. PLEASE ITEMIZE POLICIES BELOW		NA

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

No employees remaining in Foundation Healthcare.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
None			